

PUBLIC DISCLOSURE

DECEMBER 1, 2004

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

HINGHAM INSTITUTION FOR SAVINGS

55 MAIN STREET
HINGHAM, MA 02043

DIVISION OF BANKS
ONE SOUTH STATION
BOSTON, MA 02110

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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TABLE OF CONTENTS

I.	General Information	
II.	Institution Rating	
a.	Overall Rating.....	
b.	Lending, Service, and Investment Test Table.....	
c.	Description of Institution.....	1.
d.	Description of Assessment Area.....	3.
e.	Conclusions with Respect to Performance Tests.....	4.
III.	Appendix	
a.	Scope of Examination	i
b.	Standard FFIEC Core Tables	ii

GENERAL INFORMATION

The Community Reinvestment Act ("CRA") requires the Massachusetts Division of Banks ("Division") to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **HINGHAM INSTITUTION FOR SAVINGS (or the "Bank")** prepared by the Division, the institution's supervisory agency, as of **DECEMBER 1, 2004**. The Division evaluates performance in the assessment area(s), as they are defined by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The Division rates the CRA performance of an institution consistent with the provisions set forth in 209 CMR 46.00.

INSTITUTION'S CRA RATING: This institution is rated "Satisfactory"

Hingham Institution for Savings' overall CRA performance reflects the degree of its commitment in helping to meet the credit needs of its assessment area. The Bank was evaluated according to the CRA Large Institution Examination Procedures, involving three tests: the Lending Test, the Investment Test and the Service Test. These tests were conducted to determine the Bank's overall CRA performance rating for calendar year 2003 and year-to-date November 30, 2004.

LENDING, INVESTMENT, AND SERVICE TEST TABLE

The following table indicates the performance level of **HINGHAM INSTITUTION FOR SAVINGS, HINGHAM, MASSACHUSETTS**, with respect to the lending, investment, and service tests.

PERFORMANCE TESTS Hingham Institution For Savings			
Performance Levels	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory		X	X
Satisfactory	X		
Needs to Improve			
Substantial Non-Compliance			

*Note: The Lending Test is weighed more heavily than the Service and Investment Tests when arriving at an overall rating.

DESCRIPTION OF INSTITUTION

Hingham Institution for Savings is a state-chartered, stock-owned bank headquartered in Hingham, Massachusetts. The Bank was incorporated in 1834 under the laws of the Commonwealth of Massachusetts. In addition to the main office location, the Bank operates six full-service offices in the following locations: Cohasset, Hingham, South Hingham, Hull, North Scituate and South Weymouth. All office locations are situated in upper-income census tracts with the exception of the Hull and Weymouth offices, which are situated in middle-income census tracts. All full-service offices offer deposit taking 24-hour Automated Teller Machine ("ATM") service. The ATMs are connected to the NYCE, Cirrus, MasterCard, American Express and Visa networks. Also, the Bank is a participant in the SUM alliance of surcharge-free ATMs. This service allows the Bank's customers the surcharge-free use of ATMs operated by other SUM member institutions. In addition to the deposit-taking ATMs at the branch locations, the Bank has three limited service or non deposit taking ATMs located at the Boston Commuter Boat at the Hingham Shipyard, the Fruit Center Marketplace in Hingham, and an employee only ATM at Talbot's general offices in Hingham. The Bank also provides drive-up teller service at all office locations. Drive-up teller service is provided ½ hour and 1 hour later than regular banking hours Monday through Thursday at 71 Main Street in Hingham. In addition, drive-in business hours are provided weekdays at the Hull branch office from 7:00 am to 6:00 pm and at the South Hingham and South Weymouth branch offices from 8:00 am to 6:00 pm. All locations provide extended hours on Thursday or Friday evening and Saturday from 8:30 am to 1:00 pm. Bank services and hours of operation are similar to those of competing institutions and afford accessibility to all segments of the Bank's assessment area.

As of September 30, 2004, the Bank had total assets of \$529.15 million. The Bank's call report data for third quarter 2004 indicates that loans represent 76.12 percent of the Bank's total assets. Hingham Institution for Savings is primarily a residential mortgage lender with 67.3 percent of its loan portfolio comprised of residential loans. Nonfarm nonresidential properties are next with 26.4 percent followed by Construction and Land Development loans with 6.2 percent. The remaining portfolio, which is comprised of consumer loans and commercial and industrial loans represent less than 1 percent combined.

The Bank's assets increased 19.4 percent between the last quarter 2002, and the third quarter of 2004. This is due, in part, to an increase in loan volume, which increased more than 19 percent. Additionally, total deposits increased by more than 15 percent during the same period.

The market in which the Bank operates is highly competitive. Based on the 2003 Home Mortgage Disclosure Act ("HMDA") aggregate data, there were 437 HMDA reporters that originated at least one home mortgage loan in the Bank's assessment area. Competitors include local and regional banks such as Fleet National Bank and Citizens Bank of Massachusetts and large nation-wide lenders such as Washington Mutual Bank, FA, Countrywide Home Loans and GMAC Mortgage Corporation. Competition is also strong among local banks such as South Shore Savings Bank and Rockland Trust Company.

DESCRIPTION OF INSTITUTION (CONTINUED)

Also, the Bank experiences competition from other bank and non-bank mortgage lenders that operate in the local area.

The Federal Deposit Insurance Corporation ("FDIC") last examined the Bank for compliance with CRA on April 7, 2003. That examination resulted in a CRA rating of "Satisfactory." The previous CRA examination conducted by the Division on July 24, 2002, also received a CRA rating of "Satisfactory."

Based upon Hingham Institution for Savings' financial condition, size, product offerings, and branch network, the Bank's ability to meet community credit needs is considered strong. There are no apparent financial or legal impediments that would limit the Bank's ability to help meet credit needs within the assessment area.

DESCRIPTION OF ASSESSMENT AREA

The Bank has defined an assessment area in accordance with the requirements of the Community Reinvestment Act. CRA requires financial institutions to identify an assessment area in which they intend to focus their lending efforts and in which regulators will evaluate the financial institution's CRA performance. The Bank's assessment area is composed of municipalities in which the Bank has branch offices and contiguous areas. The Bank has defined its assessment area as the Towns of Hingham, Cohasset, Hanover, Hull, Marshfield, Norwell, and Scituate and the City of Weymouth. All municipalities are located within the Boston-Quincy Metropolitan Statistical Area ("MSA").

Demographic and Economic Data

The assessment area is comprised of 29 census tracts, all of which are broken down by three geographic income categories of moderate-, middle- and upper-income. The assessment area contains no low-income census tracts. The assessment area contains 1 moderate-income census tracts, 14 middle-income census tracts, and 14 upper-income census tracts. The City of Weymouth is the single municipality with the most tracts, including the single moderate-income tract and 9 of the 14 middle-income tracts. The remaining middle-income tracts are located in Hull (2), Marshfield (2) and Scituate (1). The remaining assessment area is designated as upper-income.

Demographic data obtained from CRA Wiz, based on 2000 census data, indicates that the Bank's assessment area contains a total population of 157,297 individuals. There are 63,514 housing units within the assessment area. Owner-occupied housing units represent 72.7 percent of the total units and vacant housing units represent 6.15 percent. Of the 59,592 households, 5.55 percent are below the poverty level.

The following table provides demographic and economic information pertaining to the Bank's assessment area.

Selected Housing Characteristics by Income Category of the Geography							
Geographic Income Category	Percentage						Median Home Value
	Census Tracts	House- holds	Housing Units	Owner- Occupied	Rental Units	Vacant Units	
Moderate	3.4	3.9	3.7	2.6	8.1	1.3	161,600
Middle	48.3	51.3	52.5	47.5	64.6	70.1	190,152
Upper	48.3	44.8	43.8	49.9	27.3	28.6	305,181
Total	100.0	100.0	100.0	100.0	100.0	100.0	248,462

Source: 2000 U. S. Census

Additional demographic data is available in FFIEC Table 16 in the Appendix B.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Scope of Evaluation

This performance evaluation assesses the Bank's performance under the Lending, Investment, and Service Tests. The evaluation included an analysis of HMDA reportable loans and small business loans reported during the period January 1, 2003, through year-to-date November 30, 2004. Small business loans, as defined in the Consolidated Report of Condition and Income (Call Report) are loans that have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans. The evaluation period for the Bank's community development lending and services is from January 1, 2003, through November 30, 2004, also. The evaluation period for the Bank's investments is from January 1, 2003, through year-to-date November 30, 2004.

In addition, residential loan data of competing institutions was analyzed for 2003, the latest data available for comparison of aggregate residential loan information.

LENDING TEST

The institution's Lending Test performance was rated an overall "Satisfactory." The institution's lending efforts are rated under the seven major performance criteria: Lending Activity, Geographic Distribution, Borrower Characteristics, Community Development Lending, Innovative or Flexible Lending Practices, Fair Lending, and Loss of Affordable Housing. The following information details the data compiled and reviewed, as well as conclusions on the Bank's performance.

Tables 1–11a, which appear at the end of the Public Evaluation, summarize the Bank's lending performance by loan product type. Tables 7a and 12a were excluded since they relate to the distribution of small loans to farms, which the Bank does not originate.

I. Lending Activity

Residential Loans

From January 1, 2003, through November 30, 2004, the Bank originated 700 HMDA-reportable loans totaling \$204,766,000. As the following table indicates the majority of home mortgage loans were originated inside the assessment area. Although both the number and dollar volume of the Bank's loans are considered, the number of loans is weighed more heavily than the dollar volume. The reasoning is the number of loans does not vary due to the applicant's income level, the size of the applicant's business or because of the varying housing values within the assessment area.

The number of loans originated inside the Bank's delineated assessment area constituted 60.43 percent of the total number, or 53.46 percent of the total dollar volume.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

LENDING TEST (CONTINUED)

Loans originated outside of the delineated assessment area constituted 39.57 percent of the total number, or 46.54 percent of the total dollar volume. Refer to the following tables for additional information.

Distribution of Home Mortgage Loans Inside and Outside the Assessment Area								
Year	Inside				Outside			
	Number of Loans		Dollar Amount		Number of Loans		Dollar Amount	
	#	%	\$ (000s)	%	#	%	\$(000s)	%
2003	305	64.21	73,245	57.68	170	35.79	53,731	42.32
2004	118	52.44	36,229	46.57	107	47.56	41,561	53.43
Totals	423	60.43	109,474	53.46	277	39.57	95,292	46.54

Source: HMDA Disclosure Statements

In addition, the Bank has a considerable demand for fixed and adjustable home equity products. From January 1, 2003, through November 30, 2004, the Bank originated 290 home equity loans and lines of credit totaling \$27,035,000. As the following table indicates the majority of home equity loans and home equity lines of credit were originated inside the assessment area.

Distribution of Home Equity Loans and Lines of Credit Inside and Outside the Assessment Area								
Year	Inside				Outside			
	Number of Loans		Dollar Amount		Number of Loans		Dollar Amount	
	#	%	\$ (000s)	%	#	%	\$(000s)	%
2003	142	82.56	10,234	78.02	30	17.44	2,883	21.98
2004	94	79.66	10,201	73.30	24	20.34	3,717	26.70
Totals	236	81.38	20,435	75.59	54	18.62	6,600	24.41

Source: Bank Data

The demand for residential mortgages within the assessment area remains competitive. As mentioned earlier, the Bank's lending strategy in addition to favorable low interest rates especially during 2003 resulted in a strong demand for residential mortgage loans, especially refinanced loans and home equity loans and home equity lines of credit.

Small Business Loans

A total of 110 small business loans were originated for a dollar total of \$40.74 million. Of the total small business loans, 50.90 percent of the total number and 49.09 percent of the dollar volume was originated within the assessment area. The Bank's ratio of small business lending within the assessment area versus outside the assessment area is consistent and is considered reasonable. Refer to the following table for more detailed information.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

LENDING TEST (CONTINUED)

Distribution of Small Business Loans Inside and Outside the Assessment Area								
Year	Inside				Outside			
	Number of Loans		Dollar Amount		Number of Loans		Dollar Amount	
	#	%	\$ (000s)	%	#	%	\$(000s)	%
2003	34	56.67	11,538	54.57	26	43.33	9,604	45.43
2004	22	44.00	8,471	43.23	28	56.0	11,125	56.77
Totals	56	50.90	20,009	49.12	54	49.09	20,729	50.88

Source: CRA Data Collection

II. Geographic Distribution

The Bank's penetration of census tracts of different income levels is considered reasonable.

Residential Mortgage Loans

Table 2a, 4a, and 5a in Appendix B are based on HMDA data for calendar years 2003 and year-to-date 2004 and illustrate the geographic distribution of the Bank's residential mortgages among moderate-, middle-, and upper-income census tracts that constitute the assessment area. The tables show home purchase loans, home mortgage refinance loans, and multifamily loans.

Table 2a illustrates the geographic distribution of home purchase loans within the assessment area. The Bank originated 102 home purchase loans during the review period. Loans originated within moderate-income geographies represented 2.08 percent in 2003 and 1.85 percent in 2004. Loans originated within middle-income tracts represented 39.58 percent in 2003 and 27.78 percent in 2004. Aggregate data indicates a slightly higher rate of lending than the Bank in 2003 for moderate-income geographies with 3.20 percent. The contrast between Hingham Institution for Savings' loans originated in 2003 and 2004 within moderate-income tracts is noted. Consistent with the distribution of the assessment area's census tracts, the Bank originated the highest percentage of home purchase loans within upper-income census tracts in 2003 with 58.33 percent followed by middle-income tracts with 39.58 percent. Although middle-income tracts remained unchanged, 27.78 percent of home purchase loans were originated in 2004 compared to 70.37 percent in upper-income tracts.

The loan volume is within acceptable range considering the higher number of upper-income tracts and a slight majority of owner-occupied housing units within upper-income geographies.

Tables 4a in Appendix B illustrate the geographic distribution of home refinance loans. The Bank originated a total of 287 home refinance loans during the review period. The Bank originated 0.40 percent of these loans in moderate-income tracts in 2003 and none in 2004. The 2003 figure is below the aggregate figure of 2.08 percent for lending

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

LENDING TEST (CONTINUED)

originated the highest percentage of loans in upper-income tracts with 67.46 percent of total home refinance loans in 2003 and 71.43 percent in 2004. Loans in middle-income tracts were 32.14 percent in 2003 and 28.57 percent in 2004. The loan volume in middle- and upper-income geographies is appropriate given that the concentrations of owner-occupied units are in middle- and upper-income geographies. However, the distribution of aggregate HMDA lending is more consistent with the rate of owner-occupancy within moderate-, middle-, and upper-income geographies.

The Bank reported a total of 5 loans on multifamily properties, all in 2003 and all were originated in middle-income geographies. The distribution of aggregate HMDA lending more closely mirrored the distribution of multi-family units within the assessment area.

Small Business Loans

Table 6a in Appendix B illustrates the geographic distribution of small business loans. Similar to the residential mortgage data, the data in Table 6a compares the Bank's small business lending in each of the three census tract income groups to the proportion of small businesses located in each area.

As the data in Table 6a show, the Bank originated a total of 56 small business loans within the assessment area. Hingham Institution for Savings' small business loan activity in moderate-income census tracts for 2003 at 2.94 percent was slightly more than the percentage of small businesses (2.51 percent) operating in moderate-income tracts. The Bank's small business loan activity in middle-income tracts at 29.41 percent was less than the 36.91 percent of businesses operating in middle-income tracts. The Bank's loans originated in upper-income census tracts, at 67.65 percent, was slightly more than the percent of small businesses operating in upper-income tracts.

The Bank originated 4.55 percent of all small business loans in moderate-income census tracts during calendar year 2004 a figure that is considerably more than the 2.51 percent of small businesses operating in moderate-income tracts. Hingham Institution for Savings' small business loan activity in middle-income census tracts for 2004 at 18.18 percent was less than half the percent of small businesses operating in middle-income census tracts. Similar to 2003 loan activity in the Bank's upper-income tracts at 77.27 percent was more than the percent of small businesses operating in upper-income tracts.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

LENDING TEST (CONTINUED)

III. Borrower Characteristics

Residential Mortgage Loans

The distribution of loans, given the product lines offered by the Bank and the economic climate of the assessment area, reflects good penetration among residential customers of different income levels and small business customers of different sizes. For comparison, the 2003 and 2004 distribution of the assessment area's families¹ and by borrower income level and 2003 aggregate data is also shown.

Tables 8a, 9a and 10a in Appendix B are based on HMDA data for the period reviewed and respectively illustrate the distribution of the Bank's home purchase loans, home improvement loans, and home mortgage refinance loans among low-, moderate-, middle- and upper-income borrowers in the assessment area. Data regarding multifamily properties are not provided since borrower income data are not collected for this type of credit.

Table 8a, which illustrates the borrower distribution of home purchase loans, indicates that the Bank originated 102 loans in the period reviewed. Loans to low-income borrowers in 2003 and 2004 are 8.33 percent and 1.89 percent, respectively. These figures are considerably less than the percentage of low-income families which is 14.01. Loans to moderate-income borrowers fared considerably better in 2003 and 2004 with 22.92 percent and 15.09 percent, respectively. The 2003 figure was more than the percentage of moderate-income families within the assessment area and the 2004 figure was close to the percent of moderate-income families. Aggregate loan data for 2003 indicated loans originated among low- and moderate-income borrowers was 5.93 percent and 19.40 percent, respectively. These percentages are less than the Bank's figures. The overall concentration of Hingham Institution for Savings' residential mortgage loans is slightly higher among upper-income borrowers with 43.75 percent in 2003 and 58.49 percent in 2004. Although, the rate of lending to low-income borrowers is proportionately lower than the 14.01 percent of low-income families, the penetration is considered reasonable since approximately 3.06 percent of the families within the assessment area are below the poverty level and could not afford the costs associated with homeownership.

In addition, the Bank's penetration of low-income families is hampered by the cost of homes in relation to income. A low-income family within the Bank's assessment area would have an annual income of less than \$40,400 in 2003. The median sales price of a single family home within the assessment area in 2003 ranged from a low of \$298,000 in Weymouth to a high of \$677,500 in Scituate².

¹ Based on 2000 Census Data

² Based on Banker and Tradesman Town Statistics as of December 2003

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

LENDING TEST (CONTINUED)

Even with the Bank's flexible lending programs, the cost of local real estate is greater than what many low-income families could afford.

Table 9a in Appendix B shows the borrower distribution of home improvement loans. Hingham Institution for Savings originated a total of 29 home improvement loans, all in 2004. There were no loans to low-income borrowers. The Bank's percentage of loans to moderate-income borrowers at 25.0 percent was more than the percentage of families in moderate-income tracts. The Bank's concentration of loans was among upper-income borrowers, which stood at 53.57 percent. The Bank's home improvement loans to middle-income borrowers stood at 21.43 percent. Lending among middle- and upper-income borrowers was consistent with the percent of families in middle- and upper-income categories.

Table 10a in Appendix B illustrates the borrower distribution of home mortgage refinance loans. For calendar year 2003, the Bank's distribution of loans to low-income borrowers at 7.94 percent was more than the 6.58 percent for the aggregate. In 2003, the Bank's loans to moderate-income borrowers at 18.65 percent compared closely to the 20.94 percent for the aggregate and favorably to the percent of moderate-income families. In 2004, the Bank's lending among low-income borrowers increased to 11.76.

In 2003, the Bank originated loans to middle- and upper-income borrowers at 21.03 percent and 52.38 percent, respectively. These figures are in line with the aggregate and the percent of middle- and upper-income families. In 2004, the Bank's lending to middle- and upper-income borrowers, at 29.41 percent and 47.07 percent, respectively, was comparable to the percent of middle- and upper-income families.

To assist lower income individuals achieve homeownership, the Bank has offered a number of in-house and government sponsored affordable housing programs. These programs offer expanded debt-to-income ratios and lower downpayment requirements.

Small Business Loans

As indicated in Table 11a, the Bank's level of lending to businesses with gross annual revenues of \$1 million or less is considered good.

In calendar year 2003, the Bank originated 94.12 percent of its small business loans within the assessment area to businesses with gross annual revenues of \$1 million or less. In calendar year 2004, the Bank originated 86.36 percent of the small business loans within the assessment area to businesses with gross annual revenues of \$1 million or less. The Bank's level of performance was significantly more than the 67.05 percent of small businesses with revenues of \$1 million or less in 2003.

The bank originated 14.71 percent of small business loans with dollar amounts of less than \$100,000 in 2003. For 2004, 4.55 percent of the small business loans were in

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

LENDING TEST (CONTINUED)

amounts of \$100,000 or less. These figures are indicative of the Bank's commitment to serving the credit needs of smaller businesses within the assessment area.

IV. Community Development Lending

Hingham Institution for Savings' community development lending activities are evaluated pursuant to the following criteria: 1) the extent to which community development lending opportunities have been made available to the institution; 2) the responsiveness of the institution's community development lending; and 3) the extent the institution has demonstrated leadership in community development lending.

Hingham Institution for Savings has a relatively high level of community development loans and in some cases has taken a leadership position in making community development loans. For the period reviewed, the Bank provided community development financing totaling more than \$24 million in the form of working capital loans, rehabilitation loans, construction and permanent financing loans that promote affordable housing. Financing was primarily on multi-family properties made to individuals in the assessment area communities of Hull, Marshfield, and Weymouth and various other communities including: Auburn, Boston, Braintree, Brockton, Dennis, Dorchester, Everett, Lawrence, Lynn, Maynard, Middleborough, Norwood, Plymouth, Quincy, Salem, Taunton, Waltham, Whitman, and Worcester. In 2003, the Bank made 31 loans totaling \$13.9 million. Of the total community development loans originated in 2003, 4 or \$1.9 million were inside the assessment area. In 2004, the Bank made 21 loans totaling \$11.7 million. Of the total community development loans originated year-to-date 2004, 3 or \$935,000 were inside the assessment area.

V. Innovative or Flexible Lending Practices

Hingham Institution for Savings' innovative and flexible lending practices are evaluated based upon the degree to which the loans serve low- and moderate-income individuals and geographies in new ways or serve groups of creditworthy borrowers not previously served by the institution. The following are examples of the Bank's flexible lending programs.

Residential Loan Products

The Bank has an in-house first time home buyer program that provides up to 100 percent financing with private mortgage insurance. This product is offered as a 30-year term 5 year Adjustable Rate Mortgage with a maximum income limit of \$100,000. Current terms are similar to the 20/20 mortgage product described below. The Bank originated 11 loans in 2003 totaling \$2,058,150. As of year-to-date 2004, the Bank originated 6 loans totaling \$1,443,460.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

LENDING TEST (CONTINUED)

20/20 Mortgage – On May 27, 2004, the Bank introduced its 20/20 Mortgage. This new product has a 40-year term with a 5 percent rate cap at one single rate adjustment after 20 years. By combining a low 20-year rate with a 40-year term this gives the borrower the lowest possible payment. The maximum loan amount is \$333,700 for a single family or condominium. The product features no points, reduced closing costs, 100 percent loan-to-value financing for single family homes, and 97 percent loan-to-value financing for condominiums and 2-4 family properties. In addition, the entire down payment may be a gift. Maximum ratios are 33/38. All borrowers must have FICO scores of 660 or higher. Other conditions apply including a maximum household income of \$115,000, mortgage insurance fund coverage from MHFA, and borrowers must complete a homebuyer education program. As of year-to-date, the Bank closed 34 loans totaling \$12,035,750.

The Bank also has a fixed-rate home equity loan product that is offered with low interest rate and no closing costs. This product allows borrowers to refinance their current home debt up to \$150,000 for a shorter term of 10 to 15 years.

Additionally, the Bank offers nonconforming loans with flexible underwriting standards. When borrowers do not meet the typical underwriting standards of the secondary market, the Bank's Board of Directors will review the loan proposal. If appropriate, a counteroffer is made for a loan product that will remain in the Bank's portfolio. This practice allows for a larger base of borrowers to obtain financing. In 2003, the Bank originated 100 loans totaling \$31,033,880 that were classified as nonconforming. As of year-to-date 2004 the Bank originated 81 loans with a dollar total of \$25,911,918 that were classified as nonconforming.

The Bank offers free mortgage pre-approval that provides a written response within 24 hours from application. The application can be accessed online and faxed, mailed or hand delivered to the Bank for processing.

V. Fair Lending Policies and Practices

Hingham Institution for Savings' fair lending practices were reviewed to determine how they relate to the guidelines set forth in Regulatory Bulletin 2.3-101, the Division's Community Reinvestment and Fair Lending Policy. The Bank maintains a formal fair lending policy. The Bank's fair lending policy and procedures are comprehensive in nature and address specific areas such as loan review, staff training, fair lending procedures, a loan application and evaluation process as well as applicable rules and regulations regarding the anti-discrimination statutes.

All employees are provided with training appropriate to their job description and their responsibilities relative to the Bank's fair lending standards. This includes information regarding both technical requirements and the more substantive and subtle issues related to unintentional discrimination and quality of assistance.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

LENDING TEST (CONTINUED)

Some members of the Bank's staff volunteer time at a variety of area organizations in need of their expertise. Primarily, the Bank markets its service and products through print media and the Internet. Seminars are also conducted in order to make potential customers aware of the services the Bank offers. In addition, there are some employees who speak a second language, which aids customers who may not be fluent in English.

Minority Application Flow

A review of the Bank's residential loan application flow was conducted. The purpose of the review is to determine the number of applications the Bank received from minority applicants.

As indicated in the following table, the Bank received a total of 475 residential applications from individuals within the assessment area during the period. A total of 97 applications, or 25.2 percent, was received from minority applicants. Of the total applications received by minority applicants, 78 or 80.4 percent were approved.

Minority Application Flow*								
Race	Aggregate Data 2003		Bank 2003		Bank YTD** 2004		Bank Total	
	#	%	#	%	#	%	#	%
American Indian/Alaskan	82	0.2	1	0.3	0	0.0	1	0.2
Asian/Pacific Islander	274	0.8	1	0.3	1	0.8	2	0.4
Black	139	0.4	1	0.3	0	0.0	1	0.2
Hispanic	195	0.6	0	0.0	2	1.4	2	0.4
Joint	-	-	-	-	1	0.8	1	0.2
Other	519	1.4	2	0.6	-	-	2	0.4
Total Minority	1,209	3.4	5	1.5	4	3.0	9	1.8
White	25,886	72.6	328	96.1	125	93.3	453	95.4
Not Provided	5,697	16.0	8	2.4	5	3.7	13	2.8
NA	2,883	8.0	0	0.0	-	-	0	0.0
Total	35,675	100.0	341	100.0	134	100.0	475	100.0

*Source: PCI Services, Inc. CRA Wiz software **HMDA LAR

Hingham Institution for Savings' application flow was compared to the 2003 aggregate data for all other HMDA reporters within the assessment area. In addition, the Bank's minority application flow was compared with the racial composition of the assessment area. The comparison of this data assists in deriving reasonable expectations for the institution's application flow.

Aggregate information for 2003, as shown in the preceding table, indicated that 3.4 percent of the total applications received from all other HMDA reporters were from minority applicants. By comparison, Hingham Institution for Savings' minority application flow is less than the aggregate, with 1.5 percent of total applications

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

LENDING TEST (CONTINUED)

received from minority applicants in 2003. It is also noted that the Bank's, as well as the aggregate's, minority application flow for 2003 significantly trails the assessment area's minority population rate. According to the 2000 U.S. Census Data, the assessment area contained a total population of 157,297 individuals. Minority individuals accounted for 4.08 percent of the total population. This figure, as indicated in the preceding table, is in contrast to the rate of applications the Bank receives from minority individuals.

VI. Loss of Affordable Housing

The Bank's lending programs that include community development and flexible underwriting have assisted low- and moderate-income individuals to remain in their neighborhoods.

Conclusion Lending Test

Hingham Institution for Savings has demonstrated an adequate level of responsiveness to community credit needs. The majority of the Bank's residential and small business loans are made inside the assessment area and the distribution of loans among borrowers of different income levels and businesses of different sizes is at a sufficient level. In addition, the Bank has established an adequate record within its assessment area by helping to serve the credit needs of moderate-income geographies, low- and moderate-income borrowers, and businesses with gross annual revenues of \$1 million or less. The Bank has granted a good level of community development loans. Based on the aforementioned, the institution's overall lending performance is considered "Satisfactory."

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

INVESTMENT TEST

The investment test evaluates an institution's record of helping to meet the credit need of its assessment area through "qualified investments" that benefit its assessment area or a broader statewide or regional area, which includes the institution's assessment area. Overall, the investment test evaluates the dollar amount of qualified investments, their "innovativeness and complexity", and the responsiveness of these investments to credit and community development needs, including the degree to which they assist residents to remain in affordable housing and the degree to which they (qualified investments) are not routinely provided by private investors.

A qualified investment is defined as a lawful investment, deposit, membership share or grant that has community development as its primary purpose. Community development includes; affordable housing for low- and moderate-income individuals, community services (targeted to low- and moderate-income individuals), activities that promote economic development (by financing small businesses or small farms), and activities that revitalize or stabilize low- and moderate-income geographies. Hingham Institution for Saving's investment test is rated "High Satisfactory."

Qualified Investments

The CRA Qualified Investment Fund (or the "Fund") was designed to help financial institutions meet the guidelines of the CRA Investment Test. CRAFund Advisors, a registered investment advisor for the CRA Qualified Investment Fund, assembles all of the necessary documentation to verify the "qualified" nature of its investments and thereby relieves much of the administrative burden typically associated with finding and tracking CRA investments. Investors in the Fund may indicate specific communities where they want the Fund to invest. The Fund's investment advisors seek to identify securities in these targeted areas. With shareholders throughout most states, the Fund has the ability to over allocate for an institution when qualified investments become available in the institution's area. Hingham Institution for Savings made an initial investment of \$250,000 in the CRA Qualified Investment Fund in November of 2003. The Bank's current book value of the 2 investments as of November 30, 2004 is \$2,000,000. The following details the investments of the CRA Qualified Investment Fund on behalf of Hingham Institution for Savings.

On November 6, 2003, the CRAFund Advisors allocated \$250,000 to Freddy Mac Gold (FGA). This issue financed mortgages on 2 loans to low- and moderate-income borrowers in Weymouth. On January 5, 2004, an additional \$750,000 was purchased and allocated to Mass Housing. On November 1, 2004, another investment of \$1,000,000 was made to the Fund, which was allocated to Mass Housing. This issue financed mortgage loans for 288 rental units assisted under various Commonwealth and Federal subsidy programs, including Colonel Lovell's Gate, Colonial Village, and Queen Anne's Gate I Apartments in Weymouth.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

INVESTMENT TEST (CONTINUED)

The remaining investments are investments in two FNMA mortgage pools purchased at \$1.7 million par in January 2003 and at \$1.1 million par in April 2003 that were secured by properties in Norfolk and Plymouth Counties. As of November 1, 2004 the book value of these two investments was \$158,993.85 and \$296,662.87, respectively. As of the current evaluation, Hingham Institution for Savings' qualified securities total 3.0075 percent of the Bank's total investments.

The Bank has a good level of qualified investments and grants.

Charitable Contributions

Hingham Institution for Savings' qualified investments consist of charitable grants/contributions to several local community organizations for purposes, which are considered primarily community development in nature. The Bank makes regular donations to civic, social service, and health care organizations throughout its assessment area. The Bank made qualified grants in 2003 and 2004 of \$42,540 and \$32,163, respectively.

The qualified contributions benefited 19 different organizations. A highlight of these organizations include:

Wellspring, a private, non-profit organization providing people in need with support to become more independent;

South Shore Women's Center, a not for profit multi-service organization providing support for women and children victimized by domestic violence;

Mass Maritime Academy's scholarship program targeting local students that meet the Bank's income guidelines for low- and moderate-income families living in Weymouth, Hingham, Hull, Cohasset, Scituate, Marshfield, and Norwell;

Ron Burton Training Camp, a non-profit summer camp for disadvantaged, at-risk young men that provides recreational and life skill guidance to youths between 11 and 17 years of age.

Conclusion - Investment Test

Hingham Institution for Savings' qualified charitable contributions reflect a reasonable dollar amount and good level of responsiveness to the community development needs of its assessment area. In some instances, the Bank has taken a leadership role in making large multi-year commitments to organizations for purposes, which are primarily community development in nature. The Bank's performance under the investment test is considered to be "High Satisfactory."

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

SERVICE TEST

The service test evaluates an institution's record of helping to meet the credit needs of its assessment area by analyzing the availability and effectiveness of an institution's systems for delivering retail banking services; and the extent and innovativeness of its community development services. Overall, Hingham Institution for Savings' retail service delivery systems are accessible to geographies and individuals of different income levels within its assessment area. To the extent changes have been made, its record of opening and closing branches has not adversely affected the accessibility of its delivery systems. Hingham Institution for Savings' officers and staff provide a good level of community development services including educational services. The Bank's service activities are rated "High Satisfactory."

RETAIL BANKING SERVICES

In regards to an institution's retail services, the Service Test evaluates the distribution of branches among low-, moderate-, middle-, and upper-income geographies; and the institution's recording of opening and closing branches; particularly, those located in low- and moderate-income geographies or primarily, serving low- and moderate-income individuals. Furthermore, the test evaluates the availability and effectiveness of alternative delivery systems (for retail services) in low- and moderate-income census tracts and to low- and moderate-income individuals; and the range of services provided in low-, moderate-, middle-, and upper-income census tracts and the degree to which services are tailored to meet the needs of those geographies. Since the Bank's assessment area has no low-income tracts, the evaluation of the distribution of branches, delivery systems, and range of services focus on moderate-, middle-, and upper-income geographies.

Hingham Institution for Savings offers various checking account options. The basic "Personal Basic Checking" is offered with no monthly maintenance fees, no minimum balance, and no per check fees. The Bank's "NOW Checking" assesses a \$2.00 monthly service fee for balances over \$500.00 and 10 checks per statement cycle free. All personal checking accounts offer free direct deposit, optional overdraft protection, online bill pay and no fee for use of the Bank's ATMs.

The Bank offers "Completely Free Statement Savings Accounts" for individuals who prefer to manually keep track of their balance. There is no monthly statement for account reconciliation. There are no fees and no minimum balance for this account. This account also offers competitive rates of interest, and no fee for use of ATMs.

Distribution of Branches

The Bank's main office, located in Hingham, is situated within an upper-income census tract. The Bank's loan center and corporate offices operate next door to the main branch office. Additionally, the Bank operates five full-service branch offices. Based on 2000

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

SERVICE TEST (CONTINUED)

Census data, branch offices located in South Hingham, Cohasset, and North Scituate are situated within upper-income census tracts. The remaining two branch offices located in Hull and South Weymouth are situated in middle-income tracts.

The Bank's hours of operation are considered to be convenient and comparable to other local financial institutions. All branches offer extended lobby hours on Friday and Saturday morning and in the case of the Cohasset branch on Thursday evening and Saturday morning. Likewise, all offices have ATMs that provide 24-hour network access and are linked to the NYCE, Cirrus, MasterCard, American Express and Visa networks. The Bank is a member of the SUM alliance. This service allows the Bank's customers surcharge-free use of ATMs operated by other SUM member institutions. Additionally, the Bank provides free-standing ATMs located at the Fruit Center Marketplace in Hingham, the Boston Commuter Boat at the Hingham Shipyard and an employee only ATM at Talbots general offices in Hingham.

Record of Opening and Closing Branches

On October 18, 2004, the Bank opened a limited-service branch office in Hingham at 300 Linden Ponds Way. This branch's services are geared toward residents of this retirement community.

Alternative Retail Banking Services

The Bank offers 24-hour automated customer access telephone response system, which was designed to allow customers who cannot conduct their banking business at branch locations during regular banking hours.

Hingham Institution for Savings offers a variety of alternative banking services including bank by mail, night depository service, safe deposit boxes, storage lockers, wire transfers, VISA and MasterCard advances.

In addition, the Bank provides internet banking services at www.hinghamavings.com. Customers are able to access account information such as checking account balances, transfer funds between accounts, and make loan payments. Bill payment service is also available online, allowing customers to direct payments from designated accounts to third parties. Also, the internet web site provides information pertaining to branch locations, accounts and services offered by the Bank, and hours of operation.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

SERVICE TEST (CONTINUED)

Other Retail Services

The Bank provides offers a variety of services to fit the banking needs of a wide range of customers, including those of low- and moderate-income. The Bank's "Savings Towards Education Program" (STEP) offers a bonus rate of interest on savings deposits that is ½ percent above the current savings account rate. Whenever the savings portion of the program reaches \$500, the Bank will automatically transfer the funds into a higher yielding one-year certificate of deposit earning .10 percent above the current one-year certificate rate.

The Bank participates in the Massachusetts Community Banking Council's ("MCBC") Basic Banking Program. The program was launched in 1994 by the MCBC to expand access to bank products and services and to encourage those with modest incomes to establish banking relationships. Hingham Institution for Savings offers free checking account and savings account products. Each account has a minimum balance requirement of ten dollars. Both accounts meet MCBC "Basic Banking for Massachusetts" guidelines.

The Bank is a participant in the Massachusetts State Treasurer's "Savings Makes Cents" program. Employees of the Bank meet with students biweekly to discuss basic banking. The students can open a savings account with five dollars and make periodic deposits into the account.

The Bank has paid interest to Massachusetts Interest on Lawyers' Trust Accounts (IOLTA). Attorneys and law firms maintain these accounts for the short term holding of clients' funds. Interest earned on these accounts is remitted to the IOLTA committee, which distributes funds to local charities to provide low or no cost legal services to low-income individuals.

COMMUNITY DEVELOPMENT SERVICES

Community development services are evaluated based on the extent to which the institution provides community development services and the innovativeness and responsiveness of the services provided.

The Bank's officers and staff members provide financial or technical expertise to several organizations, involved in either economic development, initiatives to revitalize low- and moderate-income census tracts, affordable housing or, human services that target low- and moderate-income individuals. Overall, Hingham Institution for Savings' efforts, as detailed below, demonstrates a good level of community development services.

A vice president of lending serves on the Family Selection Committee of Habitat for Humanity an organization that builds housing for low- and moderate-income individuals.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

SERVICE TEST (CONTINUED)

A vice president of lending is a consultant for the Scituate Housing Authority, an organization that provides housing for low- and moderate-income and handicapped individuals.

An assistant vice president of lending is on the board of the Plymouth County Board of Realtors Networking Committee, which organizes educational events for lenders and real estate brokers to discuss various financing options and to assess lending needs of the community.

Educational Services and Seminars

The vice president of retail lending visits Hingham High School regularly to make presentations to students concerning loans and credit.

A Bank director has participated in first-time homebuyer seminars throughout the area. These lectures were conducted in conjunction with local cable access channel and CNN radio affiliates.

Conclusion - Service Test

Hingham Institution for Savings' performance under the service test is considered to be "High Satisfactory". Overall, the Bank's retail service delivery systems are considered reasonably accessible to geographies and individuals of different income levels within its assessment area. As noted above, the Bank demonstrates a good performance in providing community development services and credit education services. Its officers and staff provide a reasonably high level of qualified services to a number of area organizations.

APPENDIX A

SCOPE OF EXAMINATION

HINGHAM INSTITUTION FOR SAVINGS

SCOPE OF EXAMINATION: The examination included an on-site analysis of all HMDA and CRA reported loans for the period noted below.

Residential aggregate loan data was reviewed during the examination and included comparative loan data of competing institutions. HINGHAM INSTITUTION FOR SAVINGS has one assessment area, which was reviewed using the large bank examination procedures.

TIME PERIOD REVIEWED: January 1, 2003 to November 30, 2004

PRODUCTS REVIEWED: HMDA-reportable Loans and Small Business Loans

APPENDIX B

FFIEC Core Tables

[Dates From January 1, 2003 To November 30, 2004]

The Federal Financial Institution Examination Council (FFIEC) has adopted a standard set of data tables, sequentially numbered 1-15, for use in every large bank CRA Public Evaluation. Any tables not included in the Public Evaluation were excluded because the institution has not originated or purchased any loans in the relevant category during the period under review or did not elect to report consumer loan data.

LENDING ACTIVITY

Table 1	Lending Volume
Table 2a	Geographic Distribution of Home Purchase Loans
Table 3a	Geographic Distribution of Home Improvement Loans
Table 4a	Geographic Distribution of Home Mortgage Refinance Loans
Table 5a	Geographic Distribution of Multifamily Loans
Table 6a	Geographic Distribution of Small Loans to Businesses
Table 8a	Borrower Distribution of Home Purchase Loans
Table 9a	Borrower Distribution of Home Improvement Loans
Table 10a	Borrower Distribution of Home Mortgage Refinance Loans
Table 11a	Borrower Distribution of Small Loans to Businesses

INVESTMENTS AND BRANCHES

Table 14	Qualified Investments
Table 15	Distribution of Branch Delivery System and Branch Openings/Closings

Table 1. Lending Volume

LENDING VOLUME		Geography: BOSTON-QUINCY MSA/MD				Evaluation Period: JANUARY 1, 2003 TO NOVEMBER 30, 2004						
MA/Assessment Area (2003):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Hingham Institution 2003	100.00	305	73,245	34	11,538	0	0	31	13,985	370	98,768	100.00
Hingham Institution 2004	100.00	118	36,229	22	8,471	0	0	21	11,721	161	56,421	100.00

* Loan Data as of June 29, 2004. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2003 to December 31, 2003.

*** Deposit Data as of December 06, 2004. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: HINGHAM INSTITUTION FOR SAVING

Table2a. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE			Geography: BOSTON-QUINCY MSA/MD				Evaluation Period: JANUARY 1, 2003 TO NOVEMBER 30, 2004							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Hingham Institution 2003	48	100.00	0.00	0.00	2.62	2.08	47.47	39.58	49.90	58.33	0.00	3.20	49.89	46.91
Hingham Institution 2004	54	100.00	0.00	0.00	2.62	1.85	47.47	27.78	49.90	70.37				

* Based on 2003 Peer Mortgage Data (NE)

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

Table 3a. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: BOSTON-QUINCY MSA/MD				Evaluation Period: JANUARY 1, 2004 TO NOVEMBER 30, 2004							
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Hingham Institution 2003	0	0.00	0.00	0.00	2.62	0.00	47.47	0.00	49.90	0.00	0.00	2.56	52.47	44.97
Hingham Institution 2004	29	100.00	0.00	0.00	2.62	3.45	47.47	13.79	49.90	82.76				

* Based on 2003 Peer Mortgage Data (NE)

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

Institution ID: HINGHAM INSTITUTION FOR SAVING

Table 4a. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE					Geography: BOSTON-QUINCY MSA/MD				Evaluation Period: JANUARY 1, 2003 TO NOVEMBER 30, 2004					
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Hingham Institution 2003	252	100.00	0.00	0.00	2.62	0.40	47.47	32.14	49.90	67.46	0.00	2.08	43.94	53.98
Hingham Institution 2004	35	100.00	0.00	0.00	2.62	0.00	47.47	28.57	49.90	71.43				

* Based on 2003 Peer Mortgage Data (NE)

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

Table 5a. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY			Geography: BOSTON-QUINCY MSA/MD				Evaluation Period: JANUARY 1, 2003 TO NOVEMBER 30, 2004							
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Hingham Institution 2003	5	100.00	0.00	0.00	8.68	0.00	71.29	100.00	20.03	0.00	0.00	3.57	82.14	14.29
Hingham Institution 2004	0	0.00	0.00	0.00	8.68	0.00	71.29	0.00	20.03	0.00				

* Based on 2003 Peer Mortgage Data (NE)

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multi family housing units in the area based on 2000 Census information.

Table 6a. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES					Geography: BOSTON-QUINCY MSA/MD			Evaluation Period: JANUARY 1, 2003 TO NOVEMBER 30, 2004						
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Hingham Institution 2003	34	100.00	0.00	0.00	2.51	2.94	36.91	29.41	60.58	67.65	0.06	5.82	51.18	42.95
Hingham Institution 2004	22	100.00	0.00	0.00	2.51	4.55	36.91	18.18	60.58	77.27				

* Based on 2003 Peer Small Business Data

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2003).

Table 8a. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE			Geography: BOSTON-QUINCY MSA/MD				Evaluation Period: JANUARY 1, 2003 TO NOVEMBER 30, 2004							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Hingham Institution 2003	48	100.00	14.01	8.33	16.70	22.92	23.58	25.00	45.71	43.75	5.93	19.40	28.26	46.42
Hingham Institution 2004	54	100.00	14.01	1.89	16.70	15.09	23.58	24.53	45.71	58.49				

* Based on 2003 Peer Mortgage Data (NE)

** As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information.

**** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 9a. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT			Geography: BOSTON-QUINCY MSA/MD				Evaluation Period: JANUARY 1, 2003 TO NOVEMBER 30, 2004							
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data [*]			
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Low	Mod	Mid	Upp
Full Review:														
Hingham Institution 2003	0	0.00	14.01	0.00	16.70	0.00	23.58	0.00	45.71	0.00	9.57	24.35	29.57	36.52
Hingham Institution 2004	29	100.00	14.01	0.00	16.70	25.00	23.58	21.43	45.71	53.57				

^{*} Based on 2003 Peer Mortgage Data (NE)

^{**} As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

^{***} Percentage of Families is based on the 1990 Census information.

^{****} Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 10a. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE				Geography: BOSTON-QUINCY MSA/MD				Evaluation Period: JANUARY 1, 2003 TO NOVEMBER 30, 2004						
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Hingham Institution 2003	252	100.00	14.01	7.94	16.70	18.65	23.58	21.03	45.71	52.38	6.58	20.94	29.61	42.87
Hingham Institution 2004	35	100.00	14.01	11.76	16.70	11.76	23.58	29.41	45.71	47.07				

* Based on 2003 Peer Mortgage Data (NE)

** As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information.

**** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

Table 11a. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: BOSTON-QUINCY MSA/MD			Evaluation Period: JANUARY 1, 2003 TO NOVEMBER 30, 2004			
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data ^o	
	#	% of Total ^{**}	% of Businesses ^{***}	% BANK Loans ^{****}	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Hingham Institution 2003	34	100.00	67.05	94.12	14.71	29.41	55.88	27,644	9,148
Hingham Institution 2004	22	100.00	67.05	86.36	4.55	27.27	68.18		

^o Based on 2003 Peer Small Business Data

^{**} Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

^{***} Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2003).

^{****} Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.00% of small loans to businesses originated and purchased by the bank.

Institution ID: HINGHAM INSTITUTION FOR SAVING

Table 14. Qualified Investments

QUALIFIED INVESTMENTS			Geography: BOSTON-QUINCY MSA/MD		Evaluation Period: JANUARY 1, 2003 TO NOVEMBER 30, 2004				
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Hingham Institution 2003	0	0	15	748	15	748	100.00	0	0
Hingham Institution 2004	0	0	19	1,782	19	1,782	100.00	0	0

* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: BOSTON-QUINCY MSA/MD				Evaluation Period: JANUARY 1, 2003 TO NOVEMBER 30, 2004					
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Hingham Institution 2003	100.00	6	100.00	0.00	0.00	33.33	66.67	0	0	0	0	0	0	0.00	3.39	48.35	48.26
Hingham Institution 2004	100.00	7	100.00	0.00	0.00	28.57	71.43	1	0	0	0	0	1	0.00	3.39	48.35	48.26

Institution ID: HINGHAM INSTITUTION FOR SAVING

Hingham Institution 2003

Demographic Information for Full Scope Area: Hingham Institution 2003						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	29	0.00	3.45	48.28	48.28	0.00
Population by Geography	157,297	0.00	3.39	48.35	48.26	0.00
Owner-Occupied Housing by Geography	46,188	0.00	2.62	47.47	49.90	0.00
Business by Geography	10,430	0.00	2.51	36.91	60.58	0.00
Farms by Geography	220	0.00	0.45	36.82	62.73	0.00
Family Distribution by Income Level	42,297	14.01	16.70	23.58	45.71	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	12,988	0.00	5.96	57.84	36.20	0.00
Median Family Income HUD Adjusted Median Family Income for 2003 Households Below Poverty Level		68,341 80,800 9.16%	Median Housing Value Unemployment Rate (1990 US Census)		245,511 2.28%	

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2003 HUD updated MFI

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (55 Main Street, Hingham, MA 02043)."

[Please Note: If the institution has more than one local community, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.